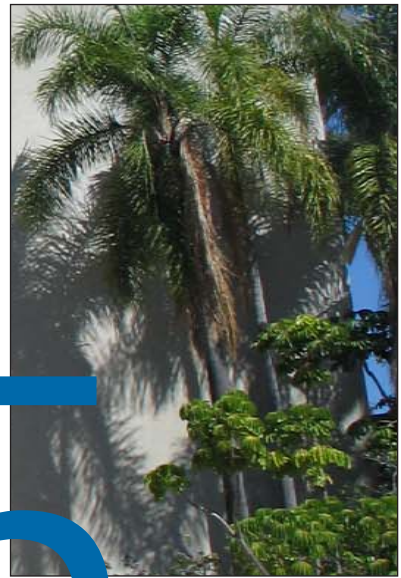


CITY OF SAN DIEGO



# PROPOSED BUDGET



# 2015

FISCAL  
YEAR

## Capital Improvements Program



# Capital Improvements Program

The Fiscal Year 2015 Proposed Capital Improvements Program (CIP) Budget is \$297.7 million. This budget allocates existing funds and anticipated revenues to both new and continuing projects in the City's \$6.51 billion multi-year CIP. The allocation of funds is based upon an analysis of available funding sources as well as a review of project needs and priorities. The City's CIP needs often outweigh available resources; therefore, the Proposed CIP budget is constrained by the availability of funds. The Fiscal Year 2015 Proposed CIP budget, as summarized in **Table 1** below, is funded by a variety of sources, including water and sewer enterprise funds, TransNet, development impact fees and facilities benefit assessments. Further details on these funding sources and the specific projects included in the Proposed CIP Budget can be found in Volume III of the Fiscal Year 2015 Proposed Budget.



**Table 1: Fiscal Year 2015 Proposed CIP Budget**

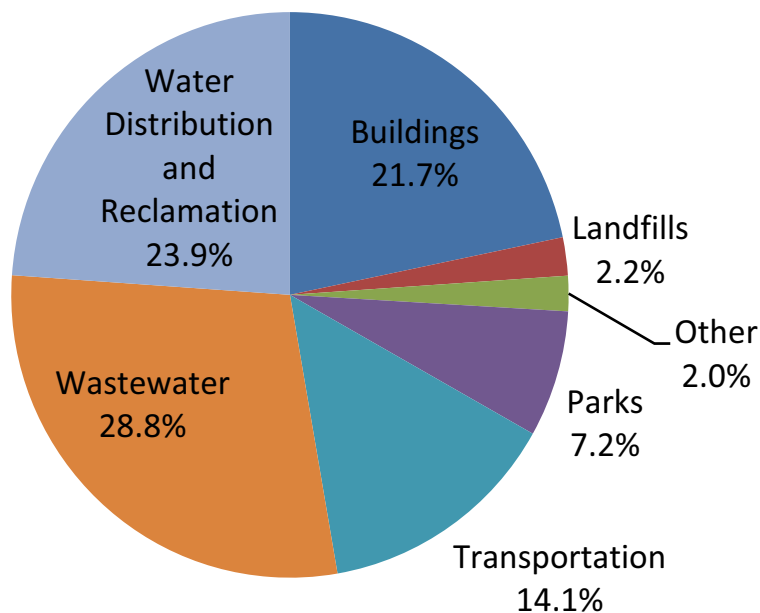
Funding Source	FY2015 Proposed Budget	Percent of Total CIP Budget
Bus Stop Capital Improvement Fund	\$ 100,000	0.03%
Development Impact Fees	17,438,834	5.86%
Facilities Benefit Assessments	23,191,197	7.79%
Fleet Services Internal Service Fund	1,654,028	0.56%
General Fund	5,834,000	1.96%
Golf Course Enterprise Fund	2,625,000	0.88%
Maintenance Assessment Districts	575,000	0.19%
Mission Bay Improvements Fund	2,943,383	0.99%
Park Service District Funds	704,652	0.24%
Proposition 42 Replacement - Transportation Relief Fund	1,907,720	0.64%
QUALCOMM Stadium Fund	750,000	0.25%
Recycling Fund	1,200,000	0.40%
Regional Transportation Congestion Improvement Program	3,549,927	1.19%
Sewer Funds	113,848,208	38.25%
TransNet Funds	19,529,330	6.56%
Trench Cut/Excavation Fee Fund	2,000,000	0.67%
Water Fund	99,801,601	33.53%
<b>Total</b>	<b>\$ 297,652,880</b>	

# Capital Improvements Program

An additional \$290.9 million of funding is anticipated to be received during Fiscal Year 2015. This anticipated funding is not included in the Proposed Budget amount of \$297.7 million because the funding sources either require additional City Council approval, such as debt financing and grants, or the funding sources are more tentative and staff will request the City Council approval to appropriate when the funds have been received. Anticipated funding includes a variety of funding such as donations, grants, developer funding, and Facilities Benefit Assessments, as well as deferred capital bond proceeds. It should be noted that the \$120.0 million in bond proceeds approved by the City Council in Fiscal Year 2014 is included in the anticipated funding. Based on projected spending trends, the bond issuance will occur in two series. The first series is delayed due to litigation and will generate \$66.4 million in bond proceeds. The second series is expected to be issued in Fiscal Year 2015, and is anticipated to generate the remaining \$53.6 million in bond proceeds.

The Fiscal Year 2015 Proposed CIP Budget of \$297.7 million will support various types of projects, as displayed in **Figure 1** below, such as water and sewer facilities, buildings, and transportation projects. Because the allocation of resources is primarily driven by the availability of funds, the distribution of the Proposed CIP Budget is concentrated on those project types with dedicated funding sources. The Water and Sewer Funds account for the majority of the Proposed CIP Budget and support water and wastewater project types. In addition, 83.3 percent of the CIP budget allocation for City buildings is for buildings that are maintained and operated by the Public Utilities Department and are funded by the Water and Sewer Funds. Transportation projects are primarily funded by TransNet, which may also fund transportation components of other project types in the right-of-way. Landfills, airports, and golf project types are funded by enterprise funds. Parks, and other building projects, such as police, fire, and library buildings, compete for scarce resources, including development impact fees and the City's General Fund.

**Figure 1: Fiscal Year 2015 Proposed Budget by Project Type**



# Capital Improvements Program

The City's multi-year CIP includes assets which are maintained and operated by a variety of City departments, as shown in **Table 2** below. The largest funding allocation in the Fiscal Year 2015 Proposed CIP Budget is for the Public Utilities Department's projects, receiving \$210.9 million, or 70.8 percent, of the Proposed CIP Budget. The next largest portion is for the Transportation & Storm Water Department's projects, with \$44.7 million, or 15.0 percent, of the Proposed CIP Budget. This distribution of funding for each department's projects is primarily dependent upon the availability of funding for the types of assets maintained by each department, combined with the amount, size and condition of those assets.

**Table 2: Multi-Year CIP**

Department	Prior Year	FY2015 Proposed	Future Years	Total
Airports	\$ 17,881,299	\$ -	\$ 12,000,000	\$ 29,881,299
Department of Information Technology	1,100,000	-	(1,100,000)	-
Environmental Services	84,529,302	7,716,922	5,075,000	97,321,224
Fire-Rescue	46,353,557	6,025,000	114,819,393	167,197,950
Library	218,919,305	1,399,000	95,298,412	315,616,717
Office of the Chief Operating Officer	1,000,000	-	-	1,000,000
Park & Recreation	177,201,360	24,745,066	240,689,537	442,635,963
Police	8,647,258	-	11,413,261	20,060,519
Public Utilities	1,143,100,452	210,870,915	1,079,941,293	2,433,912,660
Public Works - General Services	65,372,930	1,416,000	142,033,286	208,822,216
QUALCOMM Stadium	2,025,356	750,000	3,750,000	6,525,356
Special Promotional Programs	2,732,728	-	514,050,000	516,782,728
Transportation & Storm Water	880,624,973	44,729,977	1,340,355,342	2,265,710,292
<b>Total</b>	<b>\$ 2,649,488,520</b>	<b>\$ 297,652,880</b>	<b>\$ 3,558,325,524</b>	<b>\$ 6,505,466,924</b>

The Fiscal Year 2015 Proposed CIP Budget will add \$297.7 million to the City's \$6.51 billion multi-year CIP. City Council previously approved \$2.65 billion towards projects that are continuing from previous fiscal years. An estimated \$3.56 billion of additional funding will be needed in future years to complete the projects currently in the City's CIP and to fund annual ongoing capital expenses, such as road resurfacing and pipe replacements. The City's CIP does not include all of the City's unfunded CIP needs or new projects which may be added in future years.

Priority Scores are given to projects as a way to compare them to other similar projects of the same project type within the Capital Improvement Program (CIP). Council Policy 800-14, Prioritizing CIP Projects, updated in November 2013, outlines the process for scoring and prioritizing projects. The policy establishes a capital planning process that ultimately leads to decisions that optimize the use of available resources for projects competing for funding, resulting in the maximum benefit from the projects delivered. This policy takes into account the emergency status of a project, the risk to environment, the sustainability of resources, and provides guidelines and procedures to maintain consistency in application across all asset-owning departments by requiring an asset specific scoring methodology using unique operational needs and an objective scoring tool in prioritizing CIP projects. More details regarding the project prioritization process can be found in the Project Prioritization section of Volume III of the Fiscal Year 2015 Proposed Budget.

# Capital Improvements Program

## Multi-Year CIP Plan

Buildings, infrastructure, technology, and major equipment are the physical foundation for providing services to the City's constituents. Therefore, the procurement, construction, and maintenance of capital assets are a critical activity of the City. Careful planning involves ongoing review of the City's capital needs and funding programs to develop an integrated capital asset management system. In addition, the CIP Audit of 2011 elaborated on how important it was for the City to implement a comprehensive multi-year plan in addition to the annual CIP budget. A prudent multi-year capital plan will identify and prioritize expected needs based on a community's strategic plan, establish project scope and cost, detail estimated amounts of funding from various sources, and project future operating and maintenance costs that will expand well beyond one year.

To this end, the Public Works Department has been working with the Community Planners Committee to gather public input and with all asset-owning departments in the City to identify infrastructure needs. While there are many multi-year capital plans currently available, this will be the first ever consolidated CIP plan, spanning multiple fiscal years, which will also identify service level goals and any funding gaps. The Capital Improvement Program Review and Advisory Committee, along with the Public Works Department, look forward to discussing the City's first consolidated multi-year CIP plan in the coming months. The plan is scheduled to be finalized and approved by the first quarter of Fiscal Year 2015.